

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05

L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15

STR-06 ITC-01 TRSE-00 PRS-01 SP-02 SOE-02 OMB-01

DOE-11 NSCE-00 SSO-00 USIE-00 INRE-00 /103 W

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FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 4325

INFO ALL EC CAPITALS

USMISSION GENEVA

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USEEC

DEPT PASS STR ELECTRONICALLY FOR AMB STRAUSS. GENEVA
FOR MTN.

E.O. 11652: GDS

TAGS: EEC, MTN

SUBJECT: EC FOREIGN MINISTERS COUNCIL, JANUARY 17, 1978:
DISCUSSION OF MTN

1. OUTCOME OF JANUARY 17 EC FOREIGN MINISTERS COUNCIL
DISCUSSION OF MTN (SUBJECT OF HAERKAMP LETTER TO STRAUSS
REPORTED SEPTTEL) RECEIVED CONSIDERABLE PLAY IN PRESS
BRIEFINGS BY NATIONAL SPOKESMEN (AND HAERKAMP HIMSELF)
AT CONCLUSION OF COUNCIL SESSION. THESE BRIEFINGS
PRESENTED GENERALLY CONSISTENT PICTURE OF COUNCIL DEBATE,
BUT REMARKS BY FRENCH AND UK SPOKESMEN, AND BY HAERKAMP,
DESERVE PARTICULAR ATTENTION:

(A) FRANCE:

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A FRENCH SPOKESMAN TOLD REPORTERS THAT THE GOF WAS PLEASED
WITH THE RESULTS OF THE MEETING. HE SAID THAT, ALTHOUGH
A FORTY PERCENT REDUCTION WILL BE THE COMMUNITY'S
STARTING POINT, THIS FIGURE WILL HAVE TO BE REDUCED
FOR TWO REASONS: (1) NON-ACCEPTANCE OF COMPENSATION FOR
EXCEPTIONS AND (2) THE NEED FOR "BALANCE" BETWEEN
NEGOTIATIONS IN THE TARIFF AND NON-TARIFF BARRIER SECTORS.

HE SAID THAT FRANCE SUCCEEDED IN OBTAINING COUNCIL AGREEMENT TO AN EC OBJECTIVE OF REDUCTIONS BETWEEN "THE MINIMUM PROVIDED FOR IN THE COMMISSION'S 1975 MANDATE" (25 PERCENT) AND "A MAXIMUM OF 35 PERCENT."
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(B) UNITED KINGDOM:

UK TRADE MINISTER DELL TOLD REPORTERS THAT, IN RETURN FOR GOING ALONG WITH THE TARIFF FORMULA, THE UK OBTAINED AGREEMENT BETWEEN THE COUNCIL AND THE COMMISSION THAT THE COMMUNITY SHOULD SEEK SATISFACTORY PROVISIONS ON THREE "PARALLEL" OBJECTIVES:

(1) INTRODUCTION OF A SELECTIVE SAFEGUARDS CLAUSE;

(2) INCLUSION WITHIN THE TARIFF FORMULA OF A BREAK CLAUSE ALLOWING ASSESSMENT OF THE ECONOMIC SITUATION AFTER FIVE YEARS AND A DECISION AT THAT TIME AS TO WHETHER FURTHER TARIFF CUTS CAN BE MADE (DELL SAID EMPLOYMENT AND MONETARY CONDITIONS ARE AMONG FACTORS THE COUNCIL AGREED SHOULD BE CONSIDERED IN MAKING THIS DECISION; HE EMPHASIZED THAT DECISION TO INVOKE BREAK CLAUSE WOULD HAVE TO BE TAKEN AT COMMUNITY LEVEL, RATHER THAN BY MEMBER STATES INDIVIDUALLY;
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HE ALSO SAID COUNCIL DISCUSSED POSSIBILITY THAT BREAK CLAUSE MIGHT SERVE TO PERSUADE TRADING PARTNERS TO MAINTAIN MONETARY STABILITY); AND

(3) EXCEPTIONS (DELL EMPHASIZED THAT THE EC REJECTS THE "NO NET EXCEPTIONS" PRINCIPLE AND THAT IT HAS LET ITS MAJOR TRADING PARTNERS KNOW THAT THE "GARBAGE" PRINCIPLE WILL NOT BE ACCEPTABLE IN THE MTN.)

DELL ALSO COMMENTED THAT THE EC WANTS "CERTAIN HIGH TARIFFS" IN THE UNITED STATES TO COME DOWN AND WILL "LOOK WITH INTEREST" AT USG PROPOSALS IN THIS RESPECT.

(C) COMMISSION:

HAFERKAMP EMPHASIZED TO REPORTERS THAT NEGOTIATIONS ON TARIFF CUTS, SAFEGUARDS, CUSTOMS VALUATION, AND AGRICULTURE SHOULD BE VIEWED AS A PACKAGE.

2. AGRICULTURAL OFFERS:

ALTHOUGH NOT MENTIONED IN HAFERKAMP'S LETTER, THE COUNCIL
ALSO AGREED ON THE EC'S AGRICULTURAL OFFERS. ACCORDING
TO PERMREP SOURCES, JAM, FRUIT JUICE, AND LARD WERE
REMOVED FROM THE LIST WHEN SEVERAL MEMBER STATES REFUSED
TO REMOVE THEIR RESERVATIONS. HINTON

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